

REFERENCE TITLE: insurance premium tax credit cap.

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
First Regular Session  
2007

## **HB 2161**

Introduced by  
Representatives Miranda: Alvarez, Rios P, Tom, Ulmer

AN ACT

AMENDING SECTION 43-210, ARIZONA REVISED STATUTES; RELATING TO HEALTH INSURANCE PREMIUM TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2       Section 1. Section 43-210, Arizona Revised Statutes, is amended to  
3 read:

4           43-210. Premium tax credit: health insurance: certification of  
5           qualified persons: violation: classification:  
6           definitions

7       A. The department shall issue a certificate of eligibility to a person  
8 who files an application with the department in the form and manner  
9 prescribed by the department on a first come, first served basis, subject to  
10 subsection E. A person is entitled to receive a certificate if the  
11 department determines monies are available for this program pursuant to  
12 subsection E, the person has never before received a certificate and the  
13 person is either:

14           1. A small business.

15           2. An individual who satisfies all of the following:

16           (a) Earns less than two hundred fifty per cent of the federal poverty  
17 level.

18           (b) Is a legal resident of this state and a citizen of the United  
19 States or a legal resident alien.

20           (c) Has not been covered under a health insurance policy for at least  
21 six consecutive months before the application.

22           (d) Is not enrolled in the Arizona ~~heath~~ HEALTH care cost containment  
23 system, medicare or any other state or federal government health insurance  
24 program.

25       B. A health care insurer that enrolls an individual or small business  
26 certified pursuant to this section shall deduct the amount of the certificate  
27 from the premium.

28           C. For an individual, the amount of the certificate is the lesser of:

29           1. One thousand dollars for coverage on a single person, five hundred  
30 dollars for coverage on a child or three thousand dollars for family  
31 coverage.

32           2. Fifty per cent of the health insurance premium.

33           D. For a small business, the amount of the certificate is the lesser  
34 of:

35           1. One thousand dollars for coverage on each single employee or three  
36 thousand dollars for each employee who elects family coverage.

37           2. Fifty per cent of the health insurance premium.

38           E. A health care insurer that enrolls an individual or small business  
39 certified pursuant to this section shall notify the department of the  
40 enrollment and the amount of premium tax credit they intend to claim for the  
41 current calendar year no later than the fifteenth day of the month following  
42 commencement of coverage. The department shall not issue any certificates  
43 under this section that exceed in the aggregate a combined total of ~~five~~ TEN  
44 million dollars in any calendar year.

1       F. The initial certificate is valid for a period of thirty days after  
2 the date the department issues the certificate. If the individual or small  
3 business applies for health care insurance within this period of time the  
4 certificate is valid for one year from commencement of coverage.

5       G. Sixty days before the expiration of the certificate the department  
6 shall review the status of the individual or small business. If the  
7 individual or small business continues to meet the qualifications pursuant to  
8 subsection A, paragraph 1 or paragraph 2, subdivisions (a), (b) and (d) of  
9 this section, the department shall reissue the certificate of eligibility.

10      H. Individuals and small businesses are eligible for a maximum of two  
11 reissued certificates of eligibility.

12      I. This section does not guarantee health insurance coverage to an  
13 individual or small business pursuant to this section.

14      J. The department shall issue the certificate of eligibility in the  
15 name of a specific individual and the certificate is nontransferable. A  
16 person who sells, conveys, transfers or assigns the certificate to another  
17 person or attempts to sell, convey, transfer or assign the certificate to  
18 another person is guilty of a class 2 misdemeanor.

19      K. For the purposes of this section:

20       1. "Family" means any of the following:

21          (a) An adult and the adult's spouse.

22          (b) An adult, the adult's spouse and all unmarried dependent children  
23 under nineteen years of age or under twenty-five years of age if a full-time  
24 student.

25          (c) An adult and the adult's unmarried dependent children under  
26 nineteen years of age or under twenty-five years of age if a full-time  
27 student.

28       2. "Federal poverty level" means the federal poverty level guidelines  
29 published annually by the United States department of health and human  
30 services.

31       3. "Health care insurer" means a disability insurer, group disability  
32 insurer, blanket disability insurer, health care services organization,  
33 hospital service corporation, medical service corporation or hospital and  
34 medical service corporation that provides health insurance in this state.

35       4. "Health insurance" means a licensed health care plan or arrangement  
36 that pays for or furnishes medical or health care services and that is issued  
37 by a health care insurer.

38       5. "Small business" means a business that has been in existence for at  
39 least one calendar year in this state, that had not provided health insurance  
40 to its employees for at least six consecutive months before the application  
41 and THAT had at least two and no more than twenty-five employees during the  
42 most recent calendar year.

43      Sec. 2. Application

44      This act applies beginning with calendar year 2007.